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# **PROCEEDINGS**

THINK GLOBALLY,

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# BUILDING EFFECTIVE AGRI-FOOD SYSTEMS FOR THE 1990s

by David Ramsay Minister of Agriculture and Food

The Honourable David Ramsay was first elected to the Ontario Legislature as MPP for Timiskaming, May 1985.

He was appointed Parliamentary Assistant to Premier Peterson (Minister of Northern Development and Mines) in January 1987.

Re-elected as the Member for Timiskaming, September 10, 1987, he was appointed to the Executive Council as Minister of Correctional Services on September 29, 1987.

On August 2, 1989, Mr. Ramsay assumed the position of Minister of Agriculture and Food. He was also appointed to Cabinet Committees on Economics and Environmental Policy, Housing and Community Development and Northern Development.

Mr. Ramsay was clerk-treasurer for Casey Township for 10 years and operated a farm just outside New Liskeard for 12 years where he was involved in industrial milk production, cow-calf farming and cultivation of cereal grains.

He also served as President of the Timiskaming Federation of Agriculture in 1984-85 and was a founding member of the Timiskaming Grain Growers Board. On behalf of the Ministry of Agriculture and Food and the Government of Ontario I'd like to thank everyone for participating in this timely conference.

I would also like to welcome our guests from outside the Province who have taken the time and committed themselves to preparing for the future of Canadian food standards.

The work you have done here is extremely important. The agriculture and food industry in this province, and this country, is at a turning point.

We will be faced with increasing competition for foreign markets.

On the domestic front, changing consumer perceptions and tastes will require Canadian and Ontario farmers and processors to become more competitive and more adaptive.

I think we are all in agreement that establishing common standards for the Canadian food industry is essential for future competitiveness. By competitiveness I mean our ability to stay ahead of international agriculture and food competition by producing high-quality, safe, cost-efficient food that meets the needs of consumers worldwide, while sustaining and protecting our environment.

A system of uniform national food quality standards will strengthen our reputation as world suppliers of quality food. It will help address consumer concerns over food quality and safety. It will allow for a more harmonized approach to interprovincial trade.

And harmonized standards will assist the Canadian food industry in adjusting to the changing global

trading environment brought about by the Free Trade Agreement, the General Agreement on Tariffs and Trade, and the Europe 1992 Program.

We can all be proud that the quality of food produced in Canada is of the highest in the world. However we can't be content with that status. We must continually enhance and advance in order to excel.

The Ministry of Agriculture and Food is aware of this necessity, and is working with the industry, other ministries and our federal counterparts to enhance our food quality programs and initiatives in related areas.

For example, my ministry, in cooperation with Agriculture Canada, has been conducting the soil and water environmental enhancement program for several years now.

This well-received program called for research into, and practice of, sound agricultural land management practices to reduce phosphorous runoff into Lake Erie.

As well, my ministry initiated the land stewardship program administered by the Ontario Soil and Crop Improvement Association. The stewardship program promotes effective tillage and conservation techniques to protect our valuable land resources.

Our Food Systems 2002 initiative is a program aimed at finding alternative methods of pest control that will not harm our ecological system.

Many of you are no doubt aware of this program that aims to reduce the quantity of pesticides used by

Ontario farmers by 50 per cent over a 15-year period.

Food Systems 2002 does not propose to do completely away with pesticides, but instead places emphasis on the prudent and responsible use of pesticides.

To address this concern, Food Systems 2002 employs research, education and field delivery to reduce pesticide use without disturbing the viability of farming.

Similarly, our new red meat program, which is an initiative to assist the red meat industry in Ontario, contains a sub-program focussing on research into reducing the amount of chemicals used in livestock production.

And in response to the evergrowing consumer concern over food safety, the Ministry of Agriculture and Food is expanding the agricultural laboratory services facility – our pesticide testing lab – in Guelph, to deal with the chemistry of the 1990s.

This laboratory will be part of our new food quality and safety laboratory in Guelph which is planned to start operating in mid-1991. Our new laboratory services building will house state-of the-art equipment and additional staff who will develop methods for studying pesticide residue and microbiological hazards.

The new facility will support the ministry's inspection functions and provide an enhanced analytical capability to respond to food related issues. It will be co-ordinated with other federal and provincial government programs to ensure that there is no duplication of effort.

As I stated earlier, our consumers are concerned about hormones in beef, additives in processed foods, residues in poultry, and bacterial contamination of food products.

Our consumers want, and deserve, assurance that their food is of the highest possible quality.

As Minister of Agriculture and Food in Ontario, I want our industries to meet this challenge. As a consumer, I want to know that the food I eat is of the highest quality. As a father, I want assurance that the foods my children eat are safe.

Our ability to provide this assurance will help us keep a competitive edge.

The Government of Ontario believes that research is an important safeguard for quality assurance and future competitiveness. Certainly, the most significant research underway today is related to biotechnology.

And when it comes to finding alternatives to chemical use, biotechnology can certainly provide compelling results.

But as breakthroughs in biotechnology are being made, it is imperative that we have standards for human and environmental safety pertaining to biotechnological advancements.

A few weeks ago, the Ministries of Labour and Industry, Trade and Technology released a green paper on biotechnology in Ontario. My ministry and several others, participated in the drafting of this document which calls for full public and industry consultation in developing regulatory policy for biotechnology.

The Ontario Government will use this input to promote co-ordination with current federal initiatives in the field and to develop a national and comprehensive regulatory approach to biotechnology.

This concept of public participation in establishing regulations has a two-fold purpose. One, by soliciting public input, consumer misconceptions and misunderstanding surrounding food production technologies can be reduced.

And two, by building in public concerns and wants into the regulations, we can achieve food quality regulations that are truly reflective of consumer needs.

Here in Ontario, only three per cent of the population is directly involved in farming. The remaining 97 per cent are consumers, and many have little knowledge of the food production system. To them, food somehow appears in a supermarket, prepared and packaged for purchase.

It is very important that the agrifood industry actively develop both consultation and education programs with consumers. The consumer is at the end of the food chain. And a dissatisfied consumer has immense power. We know what can happen when a product receives negative attention.

This conference is a first step toward ensuring consumer satisfaction; a step closer to harmonizing Canadian food standards; a step toward closer provincial relationships; a step in the right direction.

I am optimistic that this meeting will accelerate the process of resolving these issues. We have already seen how co-operation between industry, and the federal and provincial governments can establish mutually beneficial regulations in the decision to phase out the use of environmentally damaging leaded fuels, and to phase in stricter automobile pollution control systems.

By calling on all sectors of the agriculture and food industry and other government ministries for their input, the framework for national food quality standards can be achieved.

I believe the theme of this conference simplifies a complicated, yet necessary, process in achieving these standards:

Think Globally, Act Locally.

One benefit of this process has been to expand the knowledge of all players in our industry, and we will continue this effort as we develop our strategy.

There is still room for growth, profits and improvements in the industry.

There is still room to run this industry from a sustainable natural resources base.

We have challenges, and the opportunity to meet them.

Fortunately, these are challenges and opportunities that our producers, processors, and consumers are capable of meeting.

And we in the Ministry of Agriculture and Food are willing to be partners with you in meeting these challenges.

In closing I would like to acknowledge and extend appreciation to those individuals who have worked long, diligently, and co-operatively toward making this conference happen.

From Agriculture Canada, Dr. Ian Sutherland; from the Province of Alberta, Mr. Dennis Glover; de la province de Québec, monsieur Louis Rousseau; the organizing committee of my ministry, and everyone who worked to make this first step a firm one.

# CHANGING ROLES IN FEDERAL AND PROVINCIAL REGULATION AND ANALYSIS

by the Economics and Policy Co-ordination Branch Ontario Ministry of Agriculture and Food

#### Introduction

While it is well recognized that Canadians have an effective food inspection system to ensure their health and safety, Canada is undergoing major changes in the area of food standards regulation.

Consumer demands, technological advances, recent caselaw and obligations under the Canada-U.S. Free Trade Agreement concerning harmonization of technical standards, all play their part in exerting pressure on both federal and provincial governments to re-examine their traditional roles respecting food standards regulation, inspection and analysis.

Food standards, which often include provisions dealing with food safety, quality and consumer information (labelling) in addition to compositional factors have been traditionally considered primarily a federal responsibility. Each province has jurisdiction over products sold within that province. In particular, from an historical perspective, the provinces have had specific interest in areas such as food service, meat slaughtering and processing and dairy production and processing. Regulation over products shipped to another province or country fall under federal jurisdiction. The Food and Drugs Act which falls into the domain of criminal law means that the federal government has a national responsibility for food safety.

Changes in consumer demands reflect a more urbanized multicultural population. These demographic pressures mean changed demands for food. At the same time, there is a renewed desire for increased food quality and safety. Canadian consumers are showing a greater concern about the food they purchase and consume; what it contains, how is it processed and its safety. The increased interest and growth in activity related to organic food production and marketing is a major example of this concern.

Technological advances also play their part. There is greater ability at present to detect minute traces of chemicals — additives or contaminants — and an accompanying ability to factor their incidence into North American health problems. At the same time, North American society is changing its understanding of the role of nutrition in health. In particular, the ever-present threats of cancer and heart disease are becoming increasingly linked with diet.

Moreover, the lack of understanding by consumers of the agri-food system make them susceptible to misinterpretation and misinformation.

All these factors have combined to put increased pressures on both levels of government to ensure that a proactive approach is taken to food testing, education, research, inspection and enforcement.

Recent controversial issues such as federal inspection of canned tuna, salmonella in poultry and Alar in apples are examples of problems that can be expected in the future unless action is taken. Food producers and processors must be able to prove the integrity of their products. Laboratories need to develop comprehensive

monitoring programs to support regulatory inspection. Governments need to ensure that adequate testing is done and that policies are in place to answer legitimate public concerns. In turn, consumers must become aware of their responsibilities for the safe handling of products after purchase. Consumer education is an integral part of food regulation.

# Agriculture in the Canadian Constitution

nder the written Canadian Constitution, the division of powers between the federal and provincial governments is spelled out in terms of lists of exclusive classes of subjects. Section 92 of the Constitution Act. 1867, assigns jurisdiction over specified classes of subjects to the provincial legislatures. Section 91 gives the federal government a residual power to govern "in relation to all matters not coming within the classes of subjects . . . assigned exclusively to the Legislatures of the Provinces", and lists several particular categories in this regard.

The Canadian Constitution is characterized by exclusivity as the rule (the heads of power enumerated under sections 91 and 92), and concurrent jurisdiction the exception. Within the Constitution, the division of powers between the federal and provincial levels of government is not always clear. Agriculture is an ideal case in point. Agriculture is not an enumerated subject matter under section 91 or section 92. It is included under several areas of jurisdiction at

both levels. Moroever, section 95 of the Constitution Act, 1867 (formerly the British North America Act), addresses the subject matter agriculture, assigning legislated "concurrent" jurisdiction over the area to both levels of government<sup>1</sup>.

While not attempting to focus on the vagaries of the Canadian constitution, it is important to recognize the context within which it is set (in 1867 and in 1982). The assignment of various areas of jurisdiction reflects an economic climate — primarily at the time of Confederation — that has required interpretation and adaptation over the years to meet changing social, economic and political conditions.

# Federal and Provincial Bases for Product Standards Legislation

Currently, the federal government has authority to regulate food standards where these pertain to international or interprovincial, or general matters respecting trade or commerce. As well, there is federal power to regulate matters relating to food safety, at all levels of trade. Related to this, consumer fraud is an area under the criminal law power, manifested through labelling and weights and measures legislation.

On the other hand, the provinces have various statutes and regulations to address food quality and safety, and consumer fraud.

# Current Administration of Regulatory Matters Respecting Food Standards

As already noted, there are three basic types of regulations respecting food and beverage products — food

safety, food quality, and fraudulent activities. Food safety has traditionally been a federal concern under criminal law power. Thus, contaminants in foods, antibiotic residues in meat and dairy products, pesticide residues in foods and the authorized use of food additives have been regulated under federal legislation. Nonetheless, there is a parallel interest in local health and safety that dictates provincial involvement.

Responsibility for composition and quality matters, on the other hand, is clearly fragmented because of constitutionally induced duality of the "trade and commerce" power (that is, the judicial interpretation of the federal trade and commerce power as restricted to "federal" subject matters). In this regard, composition and quality issues respecting products crossing provincial or national borders is a federal responsibility, but where the products are locally processed, locally sold, the province may now exercise control. Examples of compositional standards are strawberry jam, ice cream, fat content in ground beef. Such standards establish, a law, a standardized composition, based on parameters such as fruit content, fat or other identifying characteristics of the product.

# **Federal Jurisdiction**

Current federal regulatory power over food standards is shared among several departments and statutes. The primary legislation is the Food and Drugs Act. It defines standards of identity and composition, to ensure quality and safety of food products. Some 300 standards cover basic foods and ingredients. Regulations are set by the Health Protection Branch,

Health and Welfare Canada. The Department of Consumer and Corporate Affairs (CCA) is responsible for enforcement aspects pertaining to economic fraud and labelling. Health and Welfare, CCA, Agriculture Canada and Fisheries and Oceans all have inspection and monitoring programs based on their respective mandates.

The Canada Agricultural Products Act is the responsibility of Agriculture Canada. This Act is the umbrella legislation of, for example, dairy products, livestock and egg grading, fruit and vegetables, honey, maple products and certain processed food products. Agriculture Canada works with the production sector and wholesale level. Consumer and Corporațe Affairs Canada monitors standards compliance at the retail level.

Additional related legislation includes the Meat Inspection Act and the Fish Inspection Acts, which specifically address their respective commodities, and which are administered and enforced by the federal departments of Agriculture, and Fisheries and Oceans.

In March, 1986, the Federal Cabinet reconfirmed that the Minister of National Health and Welfare has primary responsibility for all food safety matters. As an outgrowth of that decision, federal departments in the food system have agreed to incorporate (by reference and otherwise) Food and Drugs Act provisions into the Canada Agricultural Products Act and other standards legislation. The Food and Drugs Act remains in place, but the intent is that standards under various mandates and for particular applications will dovetail with regulatory requirements found in that statute. This is meant to elimi-

<sup>1</sup> Section 95. In each Province the Legislature may make Laws in relation to Agriculture in the Province . . . and it is hereby declared that the Parliament of Canada may from Time to Time make Laws in relation to Agriculture in all or any of the Provinces . . . and any Law of the Legislature of the Province relative to Agriculture . . . shall have effect in and for the Province as long and as far only as it is not repugnant to any Act of the Parliament of Canada.

nate confusion and unnecessary duplication.

It should also be noted that the federal government must interpret and negotiate international standards eg. Free Trade Agreement (FTA), Multilateral Trade Negotiations (MTN), General Agreement on Tariffs and Trade (GATT), Codex Alimentarius, as well as foreign national standards. All of these may have an impact on the development of food standards in Canada. Article 708 of the Canada-U.S. Free Trade Agreement requires that when harmonization of technical regulations is carried out that "appropriate international standards be taken into account".

# **Provincial Jurisdiction**

In the provinces, the picture is much the same as the federal system; that is, multiple legislation relating to safety, quality and labelling. Regulation of standards at the provincial level has undergone some changes in relation to food products produced and sold at the local level. In certain instances, regulatory authority over matters pertaining to food inspection has been transferred from the Ministry of Agriculture and Food to the Ministry of Health to consolidate health-related issues. Other provinces are identifying new steps and initiatives in food quality and standards within the Ministry of Agriculture and Food. Federal responsibility for food safety has not been changed. However, growing consumer awareness and concerns about food additives and contaminants, technically a health issue, have brought considerable pressure to bear on provincial ministers responsible for food and food production.

Numerous reports by specific

bodies, by private groups, terrorist and sabotage activities, environmental pollution and accidents have also contributed to raise the level of consumer demand for food safety.

As a result of recent developments, provincial authorities are presently determining the direction in which to proceed on matters respecting food standards. At this time there is considerable potential for new directions and initiatives to be undertaken.

# Decisions of the Supreme Court of Canada Affecting the Food Standards System

wo Supreme Court of Canada decisions, one respecting the federal Canada Agricultural Products Standards Act (Dominion Stores) and the other, the validity of Food and Drugs Regulations for locally sold products (Labatt's Breweries) have greatly narrowed the scope of federal powers over food quality and identity standards in Canada. The Dominion Stores and Labatt's cases, taken together, provide the basis for growing concerns about the validity of federal CAP Act and Food and Drugs Act standards for food quality for local products: the result is that the federal government is severely restricted from enacting compositional or grades standards that apply to locally sold agricultural products; that is, products that do not cross international or provincial boundaries.2 In order to ensure a nationally consistent system of food standards, the federal government enacted a trade and commerce limitation in an amendment to the Food and Drugs Act to allow application of the standards to food involved in extraprovincial

There still remains some authority for regulation of quality standards at the federal level. Under criminal law power, where the health or safety of Canadians or protection of the public from deceptive practices assumes a national dimension or importance, the federal government may provide penalties for prohibited conduct.

But the traditionally held belief that the criminal law power extends to all Food and Drugs Act regulations stipulating compositional standards for common-named products (chocolate, peanut butter, . . . ) is, after the Labatt's Breweries case, now considerably altered.

The provinces have, therefore, become responsible for compositional standards for food involved in intraprovincial trade and would have to enact their own standards or incorporate federal standards by reference, if they wish to have regulated standards. It has now been made clear that the province must take responsibility in this area. Given a nation of regions, with product specialization and different economic bases as the rule rather than the exception, it is highly unlikely that there will be nationally consistent rules unless there is strong, coordinated action.

It is also important to note that the varying ability of provinces to build a network the size and complexity of the national scheme of regulation. While some provinces may be in a position to duplicate the federal system, this is not the rule. Provincial legislatures cannot hope to build a regulatory framework equal to the national scheme. There are budgetary constraints and some very real practical considerations. Further, in some cases, it may only be necessary to duplicate the system to a lesser degree (to reflect local concerns). The result of a multitude of responses is, of

<sup>2</sup> It should be noted that the trade marking of Canada grade names in the CAP Act and Meat Inspection Act can assist in the compliance to federal grade standards intraprovincially.

course, loss of uniformity. The strength of the present system is in coordination of efforts, not duplication. It is not, therefore, necessary to enact duplicate legislative or regulatory measures: a much more valuable role can be played in support.

# Interprovincial Flow of Goods

ne of the most important areas in which provincial policies or practices may restrict mobility of goods is through agricultural trade practices. Each province has independent jurisdiction to enact food quality standards respecting products in intraprovincial trade. The result may well be 10 different rules. Where there are differences in standards from one province to the next, barriers may arise to interprovincial exchange of goods. The standards may be different in their entirety or they may be similar but impose stricter or lower tolerance levels. As well, one province may legislate to entirely prohibit substances, products or additives (for example) within their boundaries.

Regulations that restrict or stipulate requirements for packaging, labelling or grading of agricultural products may affect trade between or among provinces. When a province enacts standards peculiar to its own jurisdiction, that difference adds to an outsider's cost of introducing an item

into the local market. Thus, the imposition of product standards may create barriers or irritants to trade between provinces.

Even with the best intentions, incidental barriers to trade may occur. This may be the result of a lack of awareness on the part of the legislators of one province of implications of their decision outside their boundaries, or it may be done in full awareness of that fact, but as the result of local pressures or problems, policies or economics (regional differences or biases).

At the recent Federal/Provincial Agriculture Ministers meeting in Prince Albert, Saskatchewan, it was agreed that interprovincial barriers to trade in agriculture and food products are to be reduced. Dr. Clayton Switzer, former Deputy Minister for the Ontario Ministry of Agriculture and Food, is to lead a federal-provincial group to review this concern. This work is now proceeding.

# **Need for Cooperation Action**

It is imperative that action be taken to address emerging food standards issues. One of the primary principles in the National Agriculture Strategy is recognition of shared jurisdiction respecting agriculture, and the necessity of maintaining effective cooperative mechanisms among governments. Respecting farm products marketing,

in particular, the strategy cites harmonization of standards within Canada through consultation and commitment to reduction of interprovincial trade barriers. This principle of shared jurisdiction has again been reinforced through Agriculture Canada's ongoing major review of current agriculture policies and programs.

For all the foregoing cited reasons, it is imperative that initiatives be developed to address the food standards issue as it exists today. Particular attention must be paid to ensure that consultation becomes an integral part of the establishment of any food standards system. Food safety is a responsibility shared by all participants in the food chain. There is a need for a national scheme to ensure compatible standards and an open national trading environment, and appropriate associated mechanisms to implement these policies. All of this rests, however, on a basic underlying premise that cooperation be the mutually agreed upon driving force behind all activities. As such, policy formulation must be an open process, allowing for input from governments, industry and consumer representatives alike. Definition and negotiation of responsibility as recorded by Memoranda of Understanding are key ingredients to an effective food standards regulatory system in Canada.

# CONSUMER PERSPECTIVE

by Anna Hobbs Associate Editor Canadian Living Magazine

Anna Hobbs is an Associate Editor of Canadian Living magazine. She was born and educated in Montreal and has a B.Sc. (Home Economics) from McGill University. Anna has worked as a university lecturer, freelance consultant, and is the editor of several cook, craft and fashion books.

First, I would like to thank the organizers for inviting Canadian Living to participate in this conference. Second, I want to establish the fact that the complex subject you confront today is a new involvement for Canadian Living and for me personally. And while I make no claims of being an authority on this subject, I do work for a publication that 13 times a year is read by over two million Canadians. It is an information pipeline to middle Canada. A two-way pipeline. For regularly and frequently, on a solicited and an unsolicited basis, our readers tell us their likes and dislikes, their needs and wants and their concerns.

At the same time, we closely monitor emerging trends. For some time we've been aware of the increased desire for good health and longevity creating a new way of life. Wellness is in. People are well aware that good nutrition and all-around healthful behavior can work in tandem to help spare them from many illnesses that claimed their grandparents. A "you-are-what-you-eat"

philosophy means wholesomeness of the food supply has become a major concern. People want to know what is being done to their food and why. They want the information to help them make rational decisions. They want it in quick, easy, understandable takes because they're busy; their lives are full. And they want to be given alternatives — viable choices in an attempt to control their own destinies. Enter "natural" and "organic".

Very early in Canadian Living's history, we established an authority in the food area, second to no other magazine in Canada. Which is perhaps why, last spring, in the aftermath of tainted mussels, Chilean grapes and Alared apples, Canadian Living was challenged by agribusiness to fill a communication gap between consumers and the agricultural and government communities — to become the same authoritative voice on food safety that we already were on food preparation and nutrition. At this time, two articles on the chemicals in food had already been assigned, scheduled for publication this past August.

It is no exaggeration to say that in our 14-year history, no subject has caused more discussion, more debate, more concern among our staff members. And few articles have generated greater response from industry than these two did. Clearly, food safety was a loaded subject. And the questions for us became:

- should a magazine like Canadian Living play a role?
- could we play an effective role?
- and if so, how?
- how do you get the answers you need given the reality of publishing deadlines when you have not one, not two, but four government departments to consult with — plus producer groups and food processors?
- with such a complex subject, where data is updated constantly, could we provide up-to-the minute information, given our four-month lead time?
- from a scientific point, when inconclusive test results lead to grey areas, there is opportunity for different points of view. How do you translate these complexities into laymen's terms?
- how do you bring together the proponents of organic farming and conventional agriculture or government representatives and advocacy groups in meaningful dialogue, so you can communicate these opposing ideologies to your readers?
- and can a magazine maintain its 5th estate status challenging the status quo when it deems necessary and still maintain a credibility amongst producers whose products it wholeheartedly endorses in its food articles?

As a logical first step, and to get a better handle on our readers' perceptions, we commissioned a survey. 100 readers were contacted for telephone interviews. A 60/40 urban-rural split — which corresponds with our circulation demographics. This is the type of "quick and dirty" research we do to assess the impact of each issue. And while it may raise the eyebrows of blue-blood statisticians, the results are substantiated when compared with the sophisticated annual surveys done on these issues by independent organizations.

I would like share the results of this survey with you now.

# 1. Do you believe the food you eat is safe?

rban Rural
3% 15%
4% 65%
3% 15%
5% 5%

# 2. Compared to 5 years ago, are your concerns about the safety of food:

	Urban	Kural
More	79%	61%
Less	2%	3%
No different	11%	30%
Not sure	8%	6%

# 3. Who do you believe is responsible for the safety of the food you eat?

	Urban	Rural
Farmers	7%	10%
Agribusiness	16%	18%
Government	21%	14%
Processors	11%	14%
Retailers	3%	4%
Consumers	6%	0
All of above	33%	34%
Not sure	2%	2%

# 4. Do you think the government does enough to protect you from unsafe food?

	Urban	Rural
It does enough	37%	26%
It does too much	0	0
It doesn't do enough	52%	56%
Not sure	11%	18%

5. Were you concerned about eating apples or apple products after hearing they might be tainted with Alar?

	Urban	Rural
Yes, and I stopped		
eating them	16%	6%
Concerned, but didn't stop	53%	50%
Not concerned	28%	35%
Not sure	3%	9%

6. Do you have concerns about the safety of food because of naturally occurring toxins?

	Urban	Kura
Yes	46%	64%
No	27%	18%
Not sure	27%	18%

7. What is the greatest increase in price you would be willing to pay for foods grown and stored without chemicals?

	Urban	Rural
10%	25%	23%
30%	22%	8%
60%	0	2%
Whatever is necessary	25%	32%
No more than now	28%	35%

8. Please rank the following in order of importance as a source of more information about the safety of food. (1 is most important) (\*indicates tie)

	Urban	Rura
Local Health Dept.	1	1*
Government	3	4
Magazine such as C.L.	5	3
CAC	2	1*
Pollution Probe	4	5

9. When you read articles in magazines and newspapers questioning the safety of your food, how do you feel?

	Urban	Rura
Alarmed	16%	16%
Helpless	16%	16%
Little concern	8%	11%
Enlightened	54%	38%
No sure/No response	6%	19%

From these results, we can summarize and make conclusions:

- 1. If only 14 per cent of those surveyed feel the food they eat is safe and the vast majority express the view that some is safe, some is not there is an enormous need to communicate.
- 2. Seventy-four per cent are more concerned about the safety of their food than they were five years ago. Unless action is taken NOW what will the percentage be next year? In five years?
- 3. Over 50 per cent believe the government does not do enough to insure the safety of our food supply. No one feels they do too much. And too many aren't sure.
- 4. Only one third of respondents feel food safety is a shared responsibility for producers, agribusiness, government, processors, retailers and consumers
- 5. There is a relatively high level of uncertainty regarding the role of naturally occurring toxins in food safety. I would suggest to you that this is a separate issue from hormone and antibiotic additives and pesticide residues and should not be used to divert concern from what consumers perceive as risks beyond their control.
- 6. In terms of changes in eating habits, actions would appear to speak louder than words. For while 50 per cent indicated they felt enlightened and prepared to modify their diets after reading articles on food safety, the same number indicated they did not stop eating apples, even though they were concerned about Alar.
- 7. If local health departments and the CAC are the preferred source of more information on food safety, why wouldn't the government fund these agencies to communicate to consumers?

It's interesting to note that while readers look to *Canadian Living* for nutrition information, this does not apply to food safety information — a

fact that we must consider carefully if we are going to play a more effective communication role. As a result of this information, we have been considering the next logical step. And have proposed hosting a food safety symposium to bring together representatives of government, producers, processors, organic and non organic farmers, and consumer advocacy groups — the believers and the doubters — for what we hope would be meaningful dialogue to report to our readers.

From a consumer viewpoint, I

believe three major challenges confront this conference: Co-habitation . . . Communication . . . Co-operation

#### 1. Co-habitation

You don't need a crystal ball to predict that 'organic' and 'natural' will be buzz words into the 1990's. And the trend to foods grown, raised and stored with fewer chemicals will continue. The time has come, we believe, for foods produced by conventional agricultural methods and those produced by alternative methods to live side by side on supermarket shelves — without confusion. Organic and natural need precise definitions;

standards need to be established; and inspection enforced. Consumers need to know what the differences are so they can make informed decisions.

2. Communication is the key.
Communication to consumers by a third-party agency that is not a stakeholder in government or agribusiness.

## 3. Co-operation

Communication will be most effective only when there is co-ordination among government departments, producers and processors and co-operation with the media.

# RETAILER PERSPECTIVE

by Mr. Gerald Ponton Vice-President of Corporate Affairs Provigo Distribution Inc.

Federal jurisdiction over federal institutions

4. Labelling standards

- Federal and provincial jurisdiction
- Vary from province to province

Let us begin by situating the debate within the context that brings us together today, namely, the need to achieve a greater harmonization of standards, on the one hand, among the provinces in order to facilitate interprovincial trade, and on the other, with other countries with which we now trade or expect to trade in the future. I am thinking, for example, of trade with the United States under Free Trade, and of future trade activities with the European market after 1992.

In this regard, you are certainly aware that the 12 Common Market countries have quite a job in sorting out the tangle of their respective food regulations. As Canada is also a party to the globalization of world markets, it is quite natural and desirable for us to practice it here at home, beginning with the 10 provinces that make up our country.

I would like now to consider the second category I just mentioned — product safety standards, which affect the field of public health — to illustrate the discrepancy in the standards with respect to monitoring, inspection, testing and certification.

Product safety, where public health is concerned or when it affects international and interprovincial trade, falls under the jurisdiction of the federal government, but we know that the provinces have considerable scope when it comes to the policies and regulations governing the quality and safety of food and protection of the consumer.

As for the testing, inspection and certification of products, the standards vary from province to province according to their respective experiences and practices.

For example, Ontario merchants can display their seafood products — particularly shrimp and lobster — on beds of ice in full view of the consumer. In Quebec, we can only do this behind glass, which prevents the customer from being able to check the quality of the product for himself, using gloves. I must say we are disappointed about this, as our sales suffer for it

Moreover, the interpretation of the standards may vary from province to province. Theoretically, the inspectors in a given jurisdiction interpret them in the same way. In fact, this is not always the case, which is quite normal if you consider the human factor, but it complicates any reference to exact standards.

In other words, for the ordinary person, who is the one who sells the products, there is a "grey area" or, if you prefer, a "softness" in the law that sometimes makes it difficult to apply locally. In some instances, this can prove annoying for those who work in retail sales.

For, though we all agree to having minimum food quality and safety standards, we also want to stay in business and be able to market

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A am here today to present to you Provigo's position on the regulation of the retail trade in the food sector. I am pleased to be participating in this standards conference at which we are gathered today, for I believe this issue will have a significant impact on the future of our industry.

If you will permit, I will begin by outlining for you the four main categories of standards in effect in our sector, and the jurisdictions responsible for applying each category.

- 1. Product classification standards
  - Federal jurisdiction, Health and Welfare Canada
  - In special cases, provincial jurisdiction
- 2. Product safety standards
  - Federal and provincial jurisdiction depending on the case
  - Vary from province to province
- 3. Institutional health standards
  - Provincial jurisdiction primarily

properly to the consumer.

Having said this, there is also a considerable discrepancy in the minimum-required standards to deem a product safe or unsafe for consumption. In the case of the bacteria count for fresh fish, for example, the American standard is 10<sup>6</sup>. In 1989, the Quebec standard was between 10<sup>6</sup> and 10<sup>7</sup> based on three samples out of five. The Canadian reference, <sup>1</sup> in the absence of established norms, based on two out of five samples, is 10<sup>7</sup>. In France, the standard is stiffer, at 10<sup>4</sup>.

Here is what this looks like in table form.

# Fresh Fish Indicators

(10-gram sample)

Canada<sup>1</sup>: 10<sup>6</sup> and 10<sup>7</sup> U.F.C./g

(two out of five samples)

U.S.<sup>2</sup>: 10<sup>6</sup> U.F.C./g

France<sup>3</sup>: 10<sup>4</sup> U.F.C./g

Quebec: 106 and 107

(three out of five samples)

I am speaking here as a layman, for I am not nearly as qualified as some of you to judge the relevance of a given standard or method of analysis, be it chemical, biological, sensory or physical. Except that, faced with the figures, I am puzzled.

The discrepancy is even greater in the case of pesticide residue standards, an area in which Provigo has recently developed expertise in cooperation with a reputable laboratory in the United States.

Without giving you the complete list of maximum allowable residue limits, permit me to give you a few examples of the discrepancy in standards between Canada and the United States.

### **Pesticides**

	Maximum	Maximun	
or Trade Name	Residue Limit	Residue Limit	Foods (Commodities)
Ivallie	(p.p.m.)	(p.p.m.)	(Commodities)
	U.S.A.	Čanada	
Acephate	10.0	0.1	Celery
			Lettuce
Captan	25.0	5.0	Strawberries
Captan	50.0	5.0	Apricots
			Peaches
			Grapes
Captan	50.0	0.1	Celery
Chrorypyrife	os 12.0	0.1	Apples
Permethrin	20.0	1.0	Head
			Lettuce
	10.0	0.1	Artichokes
Phosmet	25.0	1.0	Kiwi Fruit
Triforine	8.0	0.1	Peaches
			Nectarines
Vinclozolin	10.0	0.1	Lettuce
			Strawberries
EBDC	10.0	0.1	Lettuce
			Spinach

As you know, we import vast quantities of fruits and vegetables and other foods from the United States. You can, therefore, imagine the complexity surrounding both the inspection process and the strengthening of regulations respecting pesticide residue. Moreover, in a context of free trade, wouldn't the Americans have a fine time accusing us of protectionism?

Caution is called for here, I agree. Increasingly, Canadian consumers and American consumers, too, want to be assured of the quality and safety of the products they consume. The successive crises we have undergone recently, whether poisoned grapes, apples treated with Alar or tainted fish, have done nothing to reassure the public.

Therefore, it can be assumed that the majority of consumers want maximum protection when their health is at stake. They also increasingly want safe, environment-friendly products.

It will take some doing for the governments responsible to apply the standards governing consumer products, as these standards are already numerous and difficult to enforce systematically. That is why — and this is Provigo's position — we think we should rely increasingly on self-regulation by those companies that are part of the chain of food production and distribution.

For the fruits and vegetables that come from the United States, this process is already underway. But in many other sectors, this responsibility on the part of food producers and processors is essential to the success of any large-scale quality and safety program.

Let us now turn to the plan to harmonize the standards for food products and standardize inspection and certification procedures.

Are we in favor of this? Of course we are, as is everyone, particularly as we have experienced the duplication and overlapping of jurisdictions, and it is costly to both our company and Canadians generally. We also know that the strengthening of the laws governing food quality and safety calls for a formidable structure of intervention that we would do well to make as small and effective as possible.

But, where standards are concerned, we are for flexibility. This becomes evident if we place ourselves in the context of free trade with the

Micro-Organisms in Food /2 — Sampling for Microbiological Analysis Principles and Specific Application, University of Toronto Press, 1974.
 Compendium of Methods for Microbiological Examination of Food, APHA, 1978.

<sup>3.</sup> Techniques d'analyses et de contôle dans les industries alimentaires /3 — le contrôle microbiologique, Techniques et documentation, 1980.

United States. Furthermore, if we look to the European experience, whose goal of harmonizing standards is crucial to the flow of goods among the Common Market countries, we see that flexibility is the only solution to a sizeable problem when several trade partners occupy the arena.

The process underway in Canada, based on consultation and federal-provincial agreements and on task forces with American counterparts, seems promising to me. One must always keep in mind the global perspective of this issue. The opening up of world markets is forcing us to standardize the regulations according to international criteria; that is, without a doubt, the greatest challenge of the harmonization plan on the eve of the year 2,000.

At the local level, it is clear that the many standards must be reviewed and revised, taking into account, as I mentioned earlier, the imperatives of retail marketing, though without abandoning basic health and quality-control criteria.

We also view favorably the standardization of norms nationally, so that the bases of analysis, inspection and certification are the same, or equivalent, for everyone. This is a key element of our position vis-à-vis the United States, particularly when it comes time to compare our systems, our methods and our measures.

I do not think I am mistaken when I say that all of the categories of standards I mentioned at the beginning warrant such revision.

Companies like ours have a role to play to promote the establishment of game rules that are fair for everyone. We can act, notably, to encourage, by every possible means, self-regulation by our suppliers in making them allies in supplying consumers with the safest, best-quality products.

We are not going to take the place of the government; that is far from our

intention. We do want, however, through our entrepreneurship, to spread the concern for quality in all its aspects and in all its dimensions, from end of the chain to the other — from distribution to consumption.

It is for us, as you know, a question of survival in our highly competitive market.

I notice today that the various governments involved in the process of revising food standards have chosen to include private enterprise in their discussions. I am delighted by this.

I can assure you of the participation of Provigo in this process, even though I have not been able, in just this brief presentation, to give you many details about our position on the current regulation in Canada.

Please consider my presence here as a start, as the beginnings of a discussion to continue in the weeks and months ahead.

# PROCESSOR PERSPECTIVE

by Jon K. Grant President and C.E.O The Quaker Oats Company of Canada Limited

John K. Grant is President and Chief Executive Officer of The Quaker Oats Company of Canada Limited – a diversified food manufacturer that began with its first plant in Peterborough, Ontario, in 1901.

Mr. Grant joined Quaker in 1974 for a career in the Food Industry, beginning after graduation from the University of Western Ontario School of Business Administration in 1959.

He is a Director of the Consumer's Gas Company Limited, Scott Paper Limited, The Laurentian Bank of Canada and Laurentian Casualty; Past Chairman of the Board of Governors of Trent University and National Chairman of the University's Fund Raising Campaign. He is also a Governor of Lakefield College School. Mr. Grant has recently become a Member of the Ontario Round Table on Environment and Economy.

He has spoken widely on issues facing the Food Industry, the role of Trustees in public institutions and has lectured at both the University of Western Ontario School of Business Administration and York University. Mr. Grant's writings include numerous articles and a chapter of the book If you Love this Country, published by McClelland & Stewart.

Previous discussions have taken place at committee level on the issues of *food quality* and *food safety*. I will briefly review these issues to provide background for our discussion of food quality and safety standards.

# **Food Quality**

Suffice to say: "Know Your Customer", "Know Your Competition".

Quality is in the eyes of the beholder and producers/processors must monitor the customer/consumer on a continuing basis to ensure they are aware of shifts in customer wants and needs. This is in addition to the maintenance of high quality standards in the production of the agricultural commodity or processed food product to meet either regulatory quality standards or internal company standards of product quality.

## Safety

North Americans probably enjoy the safest food supply in the world. This has not happened by accident, but is the result of a concerted effort on the part of industry, government and consumers to develop standards, processes and controls that have led to the current high level of food product safety.

Many things have contributed to the evolution of the quality/safety of our food supply:

1. Technology: Rapid advances in food processing technology have allowed us to refine the quality and safety of the food supply (e.g. metal detection, rapid methods to determine

microbiological quality, and rapid assays for toxin detection). A few years ago, it would likely have taken much longer to find the domoic acid problem in mussels if in fact it could have been found at all.

- 2. Scale: Too often it can be said that "big is bad - small is good". This can be true if the producer/processor is small enough to have direct control of all facets of his operation, but when direct control is no longer there, delegation can lead to quality and/or safety problems. The small producer/ processor does not have the scale to be able to employ the specialized personnel or install expensive equipment which will assist in maintaining safety/quality standards. The larger manufacturer has the resources to use the new technology and is able to spread the cost over a much larger sales base.
- 3. Distribution System: The ability of our national transportation system to effectively and efficiently transport produce and products grown/processed in one part of the country for distribution on a national basis enhances the abilities of companies to obtain scale, take advantage of new technologies, and market high quality and safe products.
- 4. Communication: This can be a double-edged sword. On one hand, the rapid and comprehensive communication systems of today allow us to more quickly identify emerging quality/safety problems, implement the appropriate control/corrective action and monitor follow-up activities. I think we can all agree that our communication systems have helped

to minimize damage resulting from food safety problems, and that may not have been the case just a few short years ago.

On the other hand, the communication system and the media can and have been used to promote the interests of very vocal groups questioning the quality and safety of our food supply. In many cases, the questions that are raised are valid, should be asked and should be properly answered by the appropriate body whether it be government regulators or the food industry. In other cases, interest groups, the media, or both, have used the communications system to raise unwarranted fears in the minds of consumers concerning quality/safety of our food supply. This has been done through selectively emphasizing certain facts without fully examining the whole issue. Both the media and the food industry have a role to play in ensuring that an accurate and balanced perspective is given in communication to the public on matters concerning our food supply.

5. Standard Of Living: It is hard to say whether this is the "chicken or the egg" as far as standards of food quality/safety are concerned. Certainly technology, scale, distribution capability and communication have helped us to achieve the food quality and safety standards we now enjoy. But all of these advances may not have been possible had it not been for a consumer want or need that had been identified and acted upon by a producer, processor, equipment supplier, etc. It all comes back to knowing your customer/consumer or market, and satisfying legitimate wants and needs that have been identified. Whether improved food standards helped us to achieve a higher standard of living or whether our higher standard of living was the driving force behind the better quality and safety of our food supply would be an interesting discussion.

What has all this got to do with formal "Standards" of food quality and food safety? I think it is important to understand how we got where we are today, and how this evolutionary process will impact on the "Food Standards" that will be revised from where they are today, and developed in the future to address new product categories and new areas of concern from a food quality and food safety standpoint. These factors will also impact on the structure and content of "Standards" that are developed to be used by producers and processors in the marketing of our future food supply.

A look back allows us to reflect on the stability we have enjoyed in Canada's food market over the years. Other than large exports in raw agricultural products, the agriculture and food industries in Canada have focussed mainly on the domestic market.

With the implementation of the Canada-U.S. Free Trade Agreement and Europe 1992, we must now broaden our perspective to focus not only on the North American market, but also on the world market. This wider focus brings with it a whole new set of problems and opportunities which Canadian producers and processors must embrace if we wish to compete effectively on the much larger stage.

How can an effective "Food Standards" system help Canadians to compete on an even footing internationally while maintaining order in the domestic market? The following points are important to bear in mind when reviewing/revising existing standards, or developing new Canadian standards:

- 1. Reflect Consumer Desires:
  Standards that do not establish minimum levels of quality and safety equal to consumer expectations will result in the marketing of products that cannot compete effectively in either domestic or export markets. Producers and processors who have designed their systems to meet these minimum standards could face severe economic penalties as a result of adhering to poorly designed standards. Consult consumers and customers during the development of any standard.
- 2. Reflect The Competitive Set: Know your competition! What are the standards for comparable commodities/products in the markets where Canadian products have to compete? If Canadian standards are set too high (i.e. purer than the driven snow) economics may make it unprofitable for us to compete in these markets. If the standards are set too low, the Canadian product may be too variable or of too poor a quality to be of interest to consumers. A happy and competitive medium must be found, and reflected in the standard or we shouldn't be in the market.
- 3. Realistic/Achievable: A standard that is set so high as to be unachievable serves no one's purposes. It may reflect an ideal situation that can be achieved only under perfect conditions, but may not be indicative of the real world situation. The result would be uncompetitive costs of production, or only limited availability of product meeting the standard.

By the same token, an unrealistically low standard could allow Canadian product to exhibit variable product quality, or be unacceptable from a safety standpoint. Either of these situations could result in the loss of a market to Canadian producers or processors.

4. *Uniform:* In the situation where multiple standards may apply in

different jurisdictions across the country for the same commodity or product, all standards must be designed to incorporate the same minimum standards of acceptability. Producers and processors must have the ability to develop "scale" to compete effectively both domestically and internationally. Having to deal with 10 different grade standards or produce 10 products with slightly different formulae will not allow that "scale" to be achieved.

5. Flexible/Adaptable: Standards must be developed to cover a broad range of producer and processor situations while maintaining the minimum quality and safety parameters outlined in the standard.

At the same time, standards must be developed that can grow with the industry, and adapt to the development of new technologies. That means not only should the standard be flexible/adaptable, but so should the system of modifying the standard after it is developed.

6. Enforceable: Standards must be developed in such a way as to ensure that they can be enforced in a fair and equitable manner. This means that standards are applied equally to both large and small producers/processors as well as to both domestic and imported product. Failure to deal equitably with the enforcement aspect of food standards could place some Canadian producers/processors in an uncompetitive situation domestically, or internationally.

This, of course, assumes that the enforcement mechanism is in place, and is adequately staffed to deal with all segments of the food market.

7. Credible: You can't write credibility into a standard, it must be earned! If a standard lacks credibility, its very validity may be questioned. Only through the proper weighting and balancing of the factors previously noted can a standard be developed that can develop credibility over time. Credible food standards will

allow customers and consumers to develop confidence in Canadian food products and allow us to develop stable markets both domestically and internationally.

# Summary

The Canadian agriculture and food industries have an excellent record as far as food quality and safety are concerned. To a large extent, that good record is based on food standards that were developed in the past, and formed a strong foundation upon which we could build.

The rules and markets are changing. Let's take the best from the past, temper it with the knowledge and experience of the present, and take a bold new step into the future. We can compete effectively on the North American and world stage but only if we can deal from a position of unity and strength within the Canadian agri-food industry.

# PRODUCER PERSPECTIVE

by Omer Bauman Chairman Ontario Turkey Producers Marketing Board

Omer Bauman was raised and educated in Waterloo County. He has been a co-owner of a turkey breeder farm and artificial insemination business for the past 25 years. For 10 years he was involved in sales with a turkey hatchery. Omer has served on the Ontario Turkey Producers Marketing Board for six years — three of which he was Alternate Director to the Canadian Turkey Marketing Agency. Presently he is Chairman of the Ontario Turkey Producers' Marketing Board.

The success of Canadian agriculture is dependent upon the safety and quality of the products farmers produce. We have taken on the responsibility of providing consumers with stable supplies of high quality safe food. This responsibility is shared with all participants of the food chain, including input suppliers, the processing and retailing sectors, provincial and federal government regulators and ultimately consumers.

Food standards play an important role in ensuring conformity, instilling consumer confidence and securing the long-term marketability of Canadian food products. From our perspective, it is important to note that "food standards" does not only apply directly to end products, but also to the entire production process.

Of particular importance to producers are programs which help facilitate the long-term health of agricultural crops and farm animals. Without specific programs to prevent and/or eradicate potentially disastrous plant and animal diseases, the

Canadian food industry would be perilous at best.

Second, but also important has been producers involvement in the development of higher standards to better meet consumer demand and quality assurance. A meat-grading system which over time has encouraged the production of leaner animals has been crucial for the animal agriculture industry. Similarly, the Canadian Grain Commission's establishment of standards and qualifications for the grades of Canadian grains has been instrumental in our success in international markets.

ver the past years, the public opinion has frequently been critical of agricultural production practices often as a result of a lack of understanding and misinformation. Consequently, however the whole area of food safety has become of growing concern to the farm community. It is important for all stakeholders to understand that it is not possible to provide a 100 per cent or zero-risk food safety guarantee. While accepting that the agri-food system will always carry some measure of risk, numerous initiatives are being taken by our industry as well as by the other players. For example, some of the areas of importance and of concern to the farm community are as follows:

1) The Codex Alimentarius Commission was established to develop international food standards and codes of practice and guidelines. Our food standards and inspection methods must meet, or where necessary, exceed internationally recognized

levels. Consultation respecting standards with Canada's trading partners must be ongoing. We support the negotiations to harmonize technical regulations with the U.S., but at the same time we must not compromise our past initiatives. Examples would be the elimination and protection of our borders from diseases such as blue tongue in sheep, hoof and mouth in cattle, and new castle in poultry to name a few in the area of animal health protection programs.

2) Farm groups in most provinces have been lobbying for pesticide application certification programs. While major developments have taken place in some provinces, particularly Ontario, we must move much further to make certification programs available to all farmers across the country. It is only by being well-trained in this area that farmers can assure the consuming public that the judicious use of pest control products does not pose a threat to the food we eat.

3) The subject of salmonella for the producer could change the way in which processors buy their raw products. Rather than the processor taking the responsibility it could be transferred to the producer to supply a clean product. This could result in regulation and standards at the producer level.

4) For the protection of the food producer and consumer, a federal strategy should be developed to standardize the definitions of the terms "organic", "natural" and "residue free". The opportunity exists for products other than the above to be

substituted in short supply situations. Higher prices are likely to be charged for "organic" products. Federally sanctioned and monitored standards should be established for the testing and certification of these foods. In doing so, we must not compromise in any way the present high quality standards of conventionally grown products.

5) Animal welfare is an area where outside pressure can be applied to impose new standards in the production of livestock and poultry. These standards depending on their severity could make the economics of production not viable for the

producer, particularly if other provinces or countries do not have these restrictions placed on their products. Producer groups in Ontario are working to establish a Code of Practise for their producers.

In summary, it is crucial that our industry work harder to improve cooperation and communication with all other stakeholders, particularly the consuming public. Some areas of urgency which were touched on before but deserve broader recognition are the following:

1. educate consumers in proper handling and food preparation;

- 2. ensure that the regulatory people understand fully the food distribution system;
- 3. educate all players on the facts pertaining to the entire food chain;
- 4. assist media and health professionals in understanding the agri-food industry; and
- 5. we must be kept fully aware of the scientific data and findings as they unfold, in an ongoing organized manner.

Note: Mr Bauman and the conference organizing committee would like to express appreciation to Dave McDonald, of the Ontario Pork Producers' Marketing Board, for delivering this speech.



# DISCUSSION DOCUMENT

(Issues and Recommendations)

# DISCUSSION DOCUMENT

(Issues and Recommendations)

# PRODUCER PERSPECTIVE

#### **Issues**

- · Animal rights and standards
- · Quality and safety
- Who speaks?
- Identification of standards in quality, safety, composition, grade
- Food Fads
- Defining organic and natural
- Quality/attitude and responsibility
- Information transfer
- · Pesticide use
- Unbalanced media (producer does not feel his side is being told)
- Nutritional labelling
- Production supply
- Consumer confusion
- Standards must encourage longterm industry viability
- Required inputs must be available on reasonable basis
- Self regulation
- Harmonization (national/international)
- Public relations

## Recommendations

# 1) Standards and Long-term Industry Viability

In the PRODUCER sector *a key issue* is that standards must be flexible but encourage long-term industry viability.

# This is illustrated by:

- the fat content of dairy products is inconsistent with consumer attitude and the pricing mechanism
- Standards must not be crafted in such a way as to inhibit further product innovation.

## Recommendations for consideration:

- Standards should utilize performance parameters rather than composition parameters (recipe).
- Standards should be periodically reviewed for national and international implications.
- Standards should be capable of industry setting as opposed to government legislation.

# 2) Quality and Safety

In the PRODUCER sector *a key issue* is demonstrating an attitude of quality and safety to the consumer.

#### This is illustrated by:

- Consumer perception that quality is deteriorating.
- · Emotion determines decision.
- Health and safety standards for chemicals and antibiotics.
- Changing standards and economic repercussions.

## Recommendations for consideration:

- Sound scientific research and dissemination of information.
- Proactive plan to deal with changing standards in pesticide registration.
- · Producer training.

## 3) Who Speaks?

In the PRODUCER sector *a key issue* is establishment of the agricultural industry's credibility in addressing consumer issues pertaining to food standards.

# This is illustrated by:

 Alar, sulfamethazine, and BST as reactive issues.  Irradiation and hormone implants as proactive issues.

## Recommendations for consideration:

- Development of an ongoing all-industry management team.
- · Developing a communication strategy.
- Development of consumer education programs, i.e. informing consumers of food safety assurance programs.

# **Summary Statement**

The discussion in this group was very passionate and emotional. The reason for this was a perceived consumer misunderstanding of the producer's position.

This group expressed frustration in having standards respond to shifting consumer attitudes.

There was a very strong feeling that there be a process of communication between consumers and producers and that there be proactive communications to explain food safety to the consuming public.

# PROCESSOR PERSPECTIVE

# **Issues**

# 1) Consumer Education on Food Handling

- · Quality awareness
- Information labelling, claims
- Producer/processor/government role in providing safe food

## 2) Quality Control in Processing

• Equal application of regulations international/human factor

- Inspection consistency, HACCP-based
- Enforcement, audit-quality control of processors and imports
   This is a second to the processor and imports
- Uniform inspection standards, international and provincial
- Inspection Rules and regulations applied in uniformity

# 3) Build Quality in at all Levels of the Food Chain through Training

- Establish producer level standards
- Expand standards for primary products with the producer involved i.e. health and safety quality and residues
- Promote new technology for detection quick as early in the system as possible

# 4) Equivalent International Standards

- New standards for new products
- Internal and external grading, composition, labelling and safety standards harmonization to maintain quality of Canadian product
- Agreement on limits of harmonization "what are our priorities and how do we define them?
- Harmonization labelling of nutrition and additives — definition of "lite", organic, natural. Needs to be timely

# 5) Regulations Not GATT Rationalized

 Harmonization of standards, labelling to advantage, and method

### Recommendations

# 1) Build Quality in all Levels of the Food Chain

In the PROCESSOR sector *a key issue* is development of standards at the producer level.

# This is illustrated by:

- The need for quality standards in processing and food service grades, pesticide residue and microbiological contaminant standards
- · Processors need to know the quality

- of raw material delivered at factory gate or being processed
- Need for equivalency/harmonization of expanded or new quality standards for CUSTA/GATT/EEC 92.

#### Recommendations for consideration:

- Federal government, producers and processors must work together to establish quality standards for processing.
- Quality determination for price rests with producer and processor.
- Safety and health standards must be established by federal authority and enforced by federal and provincial governments.
- Quick tests for quality need to be developed at the producer and processor level, particularly for dairies.

# 2) Inspection Procedures and Harmonization

In the processing sector *a key issue* is different approaches to inspecting and differing interpretations of inspection guidelines.

## This is illustrated by:

- Inspection time spent on irrelevant
- The need to refine inspection procedures between commodity groups
- Lack of uniformity in interpreting guidelines between inspection regions

#### Recommendations for consideration:

- Use a government audit approach
- In-house programs which are audited to FOIL standards
- Apply evenly through out commodity, nationally and internationally harmonization
- · Government and industry train together
- Government and industry agreement on safety and sanitation or HACCP type program

# 3) Harmonization/Equivalency — Domestic and Canada/US

In the PROCESSOR sector *a key issue* is lack of uniformity and consistency in grade, composition, labelling, claims and safety standards for food products on a provincial and imported basis.

# This is illustrated by:

- Health claims for food products; eg. oat products claim they are reducing cholesterol.
- Fortification standards for flour different between Canada and USA.
- Absence of federal jurisdiction on products distributed intra-provincially.

## Recommendations for consideration:

- Federal and provincial standards should be harmonized through agreement on onefederal standard to be referenced by all provinces.
- Prioritize differences between US/ Canada regulations which are strategic to the Canadian food processing industry.

# 4) Consumer Awareness

In the PROCESSOR sector *a key issue* is that Canadian consumers should be aware of the role of producers, processors, government and consumers in assuring the safety of the food supply.

# This is illustrated by:

- Consumers who will pay more for products labelled as "natural", "organic" etc., while these products may have no detectable difference in residue levels.
- Emotional reaction to issues such as Alar and Chilean grapes.
- Consumers' trust is placed in others to assure food safety, yet part of the responsibility is theirs.

# Recommendations for consideration:

- Assess how best to deliver food safety information to consumers through consumer research (i.e. find out who can best deliver the message government, media, consumer groups, industry)
- Food safety information should be delivered on an ongoing basis via a coordinated approach.
- National certification standards should be established for marketing "organic", "natural" foods, and should be communicated to the consumer, so he/she can make informed decisions.

# RETAILER PERSPECTIVE

## **Issues**

# (in prioritized order)

- Food safety perceptions overpowers scientific data (safety vs. price, meeting consumer needs)
- Harmonization of standards so that all foods meet Canadian safety and environmental standards
- 3. Ability for market place to meet consumer needs
- Environmental standards define: recyclable, biogradable, body friendly, environmentally friendly, organic/natural residues, sustainable agriculture
- 5. Adapting to new technologies and lifestyles
- 6. Inequitable enforcement of standards
- 7. Free Trade
- 8. Consumers getting the right information. Awareness by retailers of consumer preference
- Depoliticization of standards, regulatory framework shifting, declining consumer confidence and loyalty.
- 10. Minimum standards and regulation

11. Poor communication and understanding within the system

# Recommendations

# 1) Establish a national food standards council

This council will be like the Economic Council of Canada or the Science Council of Canada.

The mandate for the council will be

- to recommend standards based on risk assessment
- to act as spokesbody for food standards and safety system

The composition of the council will include

- all sectors: consumers, distributors, processors, producers, and governments.
- 2) Design and conduct a communication initiative under the auspices of an independent agency which enjoys consumer credibility

This initiative will effectively

- Enhance consumer understanding
- Instill consumer confidence
- Create more realistic consumer expectations

#### 3) Retailers seek interjurisdictional

- Consistency
- Uniformity

In the interpretation and enforcement of regulations.

# 4) Develop one set of standards for each product or procedure

This initiative will involve:

- grading standards for products such as beef and fresh fruits and vegetables
- procedures such as bacteria testing (statistical procedure) and cold chain

# CONSUMER PERSPECTIVE

## **Issues**

- Consumer information
- Food safety
- Safety level of imported food
- Consumer demand for higher quality of fresh food
- Clear national definition of "organic" and "natural"

# Recommendations

# 1) Consumer Information

In the CONSUMER sector *a key issue* is to provide accurate information to the public and to allow people to make an informed decision and to improve safety.

This is illustrated by:

- Perception of risks are not accurate
- 75 per cent of food borne illness takes place in the home and restaurants
- Fear of the unknown

Recommendations for consideration:

- Government should consult with consumer associations, make them part of the decision-making process, and share inspection results
- Proactive liaison with media, government, industry, distributors, consumers' association and dieticians
- · Communication with key groups
- Information, labels, must be simple, clear, understandable
- · Reject and respond to false information
- Provide media with list of experts to contact for information, for clarification etc.
- Provide consumer information at point of purchase, (i.e. supermarket check out counter)

# 2) Food Safety

In the CONSUMER sector *a key issue* is minimizing the risks from contaminants, both microbiological and chemical.

# This is illustrated by:

- Vacuum packaging by small shops ("sons'vide")
- Storing perishable food at room temperature
- Toxins in "organic food" without preservatives

# Recommendations for consideration:

- Reinforce regulations and standards for food handling
- Accelerate the review of data on toxicity and synergetic activity of food contaminants for proper risk assessment
- Improve knowledge (nature, frequency of occurrence, long- and short-term effects or impacts) or natural and man-made contaminants of food
- Use "Royal Society" to do credible food safety studies
- Increase inspection in food service area.
- Proceed with total diet study every five years or so in order to have a better picture of the food habits and exposition to toxic products

# 3) Safety Level from Imported Products

In the CONSUMER sector *a key issue* is the Canadian consumers must have the same safety level from imported products as they have with Canadian produced foods.

The recommendations for consideration:

- Increase inspection on imported food products at both the federal and provincial levels
- In a joint effort of federal and provincial agencies, do a certification process for countries or for specific suppliers
- To have safe food, all partners must play their roles: the producer, the retailer and the consumer

# 4) A Clear National Definition of "Organic" and "Natural"

In the CONSUMER sector *a key issue* is the absence of a clear national definition of "organic" and 'natural".

# This is illustrated by:

- Domestic products and imported products are being treated differently
- Consumers perceive organic means a safer product. Does it? Marketers are taking advantage of fuzzy definitions
- Credibility of legitimate organic producers could be in jeopardy

# Recommendations for consideration:

- There needs to be mutually agreed upon definitions by the federal and provincial authorities for the terms "organic" and "natural" and like terms. These need to describe what is required in the production methods.
- There needs to be a uniform policy on how to administer a program that would provide equitable protection for all consumers, equally applied to domestic and imports.
- Information flow is needed. A program must be in place so consumers are informed as to what the organic/natural designation means to them in purchasing products.

# 5) Consumer Demand for Higher Quality of Fresh Produce

In the CONSUMER sector *a key issue* is whether the quality problem is that

grade standards are too low or whether the issue is the quality of inspection.

# This is illustrated by:

- Rot in potatoes
- Mealy apples
- High stacking of produce, i.e. onions

## Recommendations for consideration:

- Review of grade standards to meet consumer expectations
- Highly trained retail staff to assure freshness and quality at the store level
- Education of producer and distributor to recognize the consumer's needs

# PEOPLEnergy Facilitators

Jan Sanders Brian Williams Bill Staples Jo Nelson

PEOPLEnergy, which organized conference discussion groups, offers planning, team building and performance management services to businesses and government agencies that seek better results through people.

Discussion Document prepared by Jeanette Stanfield.



# WRAP-UP WHERE DO WE GO FROM HERE?

by Dr. Clayton M. Switzer President, Clay Switzer Consultants Ltd.

Clay Switzer was raised on a farm in Middlesex County. He attended Strathroy Collegiate, then entered the Ontario Agricultural College. After graduating in 1951, he continued his studies at O.A.C. and received a MSc degree in Weed Science in 1953. He then went to Iowa State University where he was granted a Ph.D degree in 1955.

He joined the Department of Botany, Ontario Agricultural College immediately after graduation. He became Chairman of the Department of Botany in 1967, Associate Dean of the Ontario Agricultural College in 1971, and Dean on July 1, 1972. He completed his second five year term as Dean on June 30, 1983 and was appointed Deputy Minister, Ontario Ministry of Agriculture and Food on January 1, 1984.

He retired from that position April 30, 1989 and is now President, Clay Switzer Consultants Ltd.

In July of 1986, he was made a Fellow of the Agricultural Institute of Canada, and in May of 1987 he received an Honorary Degree, Doctor of Laws, from Dalhousie University in recognition of his contributions to Canadian agriculture.

The "PERSONAL OBSERVATION" made by Robert De Valk this morning was most appropriate. He said he was struck by the sincerity of purpose of the participants and suggested this was because people feel:

- that changes are needed
- that changes *can* be made He suggested, and I agree completely, that we have a "WINDOW OF OPPORTU-NITY" to make some changes.

Where do we go from here? Everyone I've talked to agrees that this conference has been a worthwhile expenditure of time and effort but the question everyone asks is "WHAT HAPPENS NEXT?"

Many issues relating to food standards have been identified and recommendations have been made as to what is needed to resolve these issues. Perhaps not too surprisingly, there was considerable agreement among the four segments of the agrifood system on the issues, and even on the recommendations. Again, however, there were the lingering questions of "WHAT HAPPENS NEXT?" — "WHERE DO WE GO FROM HERE?" — "Whose responsibility is it to take the lead to ensure that all of the input of yesterday and today is not lost?"

One might argue that the federal government might be charged with the responsibility of taking all the recommendations from this meeting, sifting through them, and where political expediency and political will allow, putting them in place. But there is the matter of jurisdiction and mandate — which department of the

federal government — and what about provincial mandates?

One might make an equally good, or even stronger, argument that the onus should be on the private sector — producers, processors, packagers, wholesalers and retailers, and consumers to take the lead. A third proposal would be to suggest that there is something each group (governments and private sector) can and should do.

For purposes of further discussion I would suggest that the following areas are those that this conference would support for early action:

# 1) Better communication with the public

Proactive communication with the general public about Canadian standards, and food regulations, should be increased. Given that both levels of government as well as the private agri-food sector appear to be viewed with some suspicion by the public, it was suggested that a separate organization such as a National Food Standards Council be set up along the lines of the Science Council or the Economic Council or the National Institute for Nutrition. Although this would require government support, I believe the initiative for seeing that further study is given to this idea, should rest with the private sector.

The first step, as suggested at this conference, could be to "assess how best to deliver food safety information", or in other words, to develop a communication strategy. Again, I

would put the onus for this on the private sector. To ensure continuity, I would suggest that the organizing committee of this conference consider how best to follow up.

# 2) Harmonization of Federal/ Provincial Standards

Further work on the harmonization (or equivalence) of standards and inspection regulations across Canada as they pertain to agriculture, should be the responsibility of the Federal/Provincial Agricultural Trade Policy Committee. The political will to increase the uniformity of standards seems to be present — and perhaps the pressure of budget constraints will put on added pressure to share resources and mandates.

# 3) National Certification Standards for "Natural" Foods

The terms "organic", "natural" and "residue free" should be more closely defined and *National* regulations considered for their use. This should be the responsibility of Agriculture Canada with consultation with the private sector. CARC has recently established a committee on this subject, chaired by Dr. Ian Sutherland.

# 4) Follow-up Meetings Within the Agri-food Sector

Periodic meetings of representatives

from the various segments of Canada's agri-food system should be held. There is agreement that communication should be improved between the agri-food sector and the general public — but there also needs to be continuing dialogue among the various segments of the agri-food system. This was emphasized by several speakers. I would suggest that a "Steering Committee" be appointed by the organizers of this conference to discuss the merits of similar meetings related to other subjects of common interest.

# 5) Education, Training and Research

There was a general view that more could be done within existing organizations, mandates and resources. For example, pressure could be applied to food handlers in institutions and restaurants to become better trained and certified (in a similar manner to the way in which farmers have demanded that they receive training and certification on the use of pesticides). Greater emphasis could be given by provincial ministries of agriculture and education, to inform consumers about Canadian produced food — through extension and school channels. Similarly federal and provincial research in food science should be reoriented by putting greater emphasis on "toxicity and synergistic activity of food contaminants".

- 6) Maximum residue levels should be established for more contaminants by Health and Welfare where information is not available we should adopt CODEX.
- 7) More consensus and consultation with the private sector should be encouraged by all levels of government.

# 8) Voluntary Standards

Producers within their existing organizations should be looking at voluntary standards. Standards have to be accepted by producers as a responsibility. Although there will always be a need for government standards and regulations, there is also a need for producers to voluntarily adopt better standards. Action on this can be taken by producer groups now.

So, in summary, "WHERE DO WE GO FROM HERE?" is a shared responsibility among all of you. This has been a useful meeting — let's not just go about our regular busy lives and not follow up on what we have done here.

I know that Jim Pettit's committee will be meeting today to consider how best to follow up on this conference and we should all eagerly await their report on the next steps.

# A LOOK FORWARD

by Jim White
President
Jim White's Food Group Inc.

Jim White is President of Jim White's Food Group Inc. He is consultant to a number of Canadian and American food manufacturers and food service operators, helping to develop new food products, reposition or refine existing products, examine packaging requirements, provide marketing, merchandising and promotional services.

He is the inventor of many President's Choice items including the Decadent Chocolate Chip Cookie (now the best-selling cookie in Ontario despite the fact that it's only available in one-third of all food outlets in the province).

He also started The Insider's Report. The most widely read "food publication" in the world with eight million copies printed each issue. There are, or have been, regional editions in St. Louis, Dallas, Buffalo, Cleveland, Ontario, Canada's Maritimes, Western Canada, and New York City.

I'm particularly moved that we're together at Bristol Place Hotel because a lot of what I know about food I learned in the kitchen of this hotel ... at the side of the late executive chef, Tony Roldan, with whom I wrote my first cookbook. Tony and I collaborated for a year, working in the kitchen here, devising recipes for our book *The Best of Canada*.

I guess I've always wanted *The Best for Canada* and so I'm particularly gratified to be able to address such an important group as yours. I have some very strong opinions and predictions about the future of Canada and its agri-food systems.

Speaking of predictions —before

we start, I want to ask — how many in this room have a FAX machine in your car? How many of you have a microwave oven in your car? How many of you have quit smoking — once smoked, now do not?

Good. This last handshowing is the important one because x% of you in this room have given up smoking — which wold have been unthinkable 15 years ago. You would have thought me nuts if I had stood here and said x% of this group will significantly change such a deep-rooted personal habit

Which is what putting a FAX machine or a microwave in your car sounds like today — nuts. But that's what many of us will have by 2020.

- Also, don't be surprised the norm will be two microwaves in every home — one in the kitchen, one in the TV room ...
- Cars will be equipped with micros and a small glove-compartmentsized fridge to keep foods chilled.
   The back seats will have drop-down trays built into the seat in front like an airplane ...

Now, I don't want to hype my futuristic food predictions too much — otherwise, your expectations will be so great that you'll be disappointed by the reality.

One of the things about which I had absolutely no expectation was the success of "President's Choice" and its marketing tool, the 16-page comic book, *The Insider's Report.*, which we launched five years ago. What were supposed to be a few upscale, private label products for a single supermar-

ket turned out to be an entire line of 750 items that are sold in nine provinces and a dozen U.S. markets. In effect, "President's Choice" has become a national brand.

I know you're not going to believe this, but we were successful even though we never applied for federal or provincial assistance!

My personal commitment was to give my children a legacy. I wanted to make the supermarket a safe place for them to shop. I wanted to clean up the horrible products in the marketplace — give my kids a wholesome alternative to what existed. In light of what we achieved, I'd say my reality lived up to my expectations.

After helping develop some 750 "President's Choice" products and after writing hundreds of regional editions of *The Insider's Report* I decided it was time to do something new — for myself this time. So, four months ago I resigned from Loblaws to set up *Jim White's Food Group*, to consult to the food industry.

But times and the market have changed *dramatically* and *rapidly* in the five years since we launched "President's Choice".

Basically, there is *no mass market* any longer. There has been a decentralization of the marketplace. What's happening in Russia — where the country is being torn into parts — where the Lithuanians, Latvians, Estonians, Armenians, Azerbaijanians, and Moldavians are demanding minority recognition, maybe even statehood — is exactly what's happening in the marketplace in Canada. It's

just a lot easier to see it and give it a name when it's occurring halfway around the world.

On the consumer front, Canada is a nation of rapidly moving targets. There is no ordinary person ... no average consumer ... no John Doe ... out there any more.

I call this fractionalized movement *The Balkanization of the Marketplace*. It's evident all around us.

- It's happening politically: when they formed the United Nations in 1945, there were 51 countries. Today there are 159.
- It's happening to communications: in the '60s, three powerful networks controlled our TV viewing habits.
   Today, there aren't enough frequencies to indulge all our segmented, special-interest, cable-delivered shows.

If you're a food grower, food processor, or food manufacturer, you must have an effective strategy today to deal with this Balkanization of the Marketplace.

Even within a single household, the market has balkanized: brand loyalty is in trouble. For example, in the old days, if mom and dad drank coke, then by habit, so did the teens and so did the tots. Today, in only 60 per cent of the households where members drink cola, do all the members drink the same cola; in the other 40 per cent of households, — that's close to half the marketplace — family members scramble after their own preferences.

In the toothpaste category today, you see a family buy "Kid's Crest" for the tots, "Gel" for the under 25s, "Regular Dentifrice" for the under 45s and "Tartar Fighter" for the over 50s. That's four different markets in one category under one roof.

That's why, in the next decade, you'll have to market your end product — food — to a fractionalized

market to reach members of the family who no longer do what other members do just because they live under one roof.

Some companies are already pitching their foods specifically at the lucrative children's market:

- Hormel has launched "Kids' Kitchen", a line of microwaveable, shelf-stable entrées;
- A Chicago woman has launched "My Own Meals" for children;
- Conagra is testing "Kids' Cuisine";

Others will target the other end of the spectrum — the aging affluent baby boomers who already have had an impact on our gross national product; at the start of this decade, gourmet foods were a \$2 billion category in North America. Today, this has sextupled to \$13 billion-a-year. Talk about expectations. The boomers have great ones and even greater amounts of disposable income. By the year 2,000 baby boomers will account for 60 per cent of all consumer purchases.

This may sound far away, but there are only 3,719 days until the next century, the next millennium. And the big question in my mind is, as an Ontario resident, what Ontariogrown foods will we be eating in the year 2,000 — 3,719 days from now? Will there still be a chicken industry? There won't be if Ontario wholesale prices for chicken continue to be 40 per cent higher than U.S. prices. There won't be a turkey industry if Ontario turkey prices continue to be 38 per cent higher than American toms. Ontario mozzarella runs 30 per cent higher than U.S. mozzarella.

Now, some of the things I'm about to say are outrageous, bordering on lunatic, but I know that if I had come here eight years ago and said that the outlawed leader of an outlawed party — Lech Walensa — would be running Poland by the end of the very same decade — you would

also have called me nuts.

First, I want to talk about gold. Gold is an internationally accepted monetary standard — it has a fixed value, day by day, and people run around paying a fortune for it. What would happen if all of a sudden, one day, the world financial leaders announced that the "gold standard" no longer existed? Gold, they say, is a worthless metal. As of today, the world is going to trade in ... stainless steel. Can you picture the run there would be for cutlery at K Mart!

Now this is an important concept because I predict there is going to be such a revolution in the next 10 years and it's going to happen in your sector — agriculture.

The fat standard — measuring our dairy products and charging for them by the amount of fat they contain is going to go the way of the carrier pigeon. North American society is moving rapidly away from the fat standard. People want less fat, fewer calories.

- 42 percent of all dairy sales in the U.S. last year were lite, or diet foods and the category is growing at 8% per annum.
- 1/2 the soft drinks sold today are diet drinks
- More than 1/2 the milk sold in the U.S. today is low fat and within a few years, one expects low fat to account for 75% of milk sales.

People are moving away from fat but what are your constituents, dairy farmers, sitting on? A mound of butter fat and at some point in the next decade, a majority of the population is going to say. I don't want more butter fat, I want less. So fine, the farmers and dairies can charge more for their high fat sour cream, milk, cheese, yogurt — but the public won't want it. Basically, the fat standard will be dead. And if it isn't, we will be from having eaten too much fat.

West Germany, which I've just visited to attend anuga, may be the only country in the world that is showing an increase in butter sales year after year — for 10 years now. In Germany, butter is priced to a ratio of milk protein to milk fat, not milk fat itself. As well, they keep the butter market alive by introducing new specialty butters all the time. Maybe these are things that Canadian dairymen should investigate.

Nutrition is going to be the buzzword of the 1990s. Your ministries must make a commitment today. I'd organize a group of senior economic policy advisors and have them identify areas of potential agricultural economic growth around nutrition and not treat nutrition as something ministries of health monitor.

Let's talk about the single worst food that you can eat — bacon. It's high in fat (80 per cent of its calories are derived from fat). It's high in sodium, and it's filled with nitrites. Nutritionally, bacon has absolutely nothing going for it. It's another food measured by the fat standard.

Until now, we've got away with a curious sleight-of-hand — charging a lot for a less-nutritionally desirable part of the animal. Great marketing, but this is going to change — I promise you — when some self- professed food guru like Phil Sokoloff who blew the whistle on tropical oils last year informs the public that there is absolutely nothing nutritionally sound about bacon.

What you must do now is "head 'em off at the pass"; we're already a world leader in genetic research.
Surely we can produce hogs with leaner bellies. Surely someone can do basic research into the use of nitrites; you know, I was in California in June and discovered a new generation of wine makers going against tradition; they've reduced the amount of sul-

phur dioxide used to vinify wine and are asking, "Do we really need as much sulphur dioxide as we have conventionally thought?" I met winemakers who have cut their use of SO<sub>2</sub> by 80 per cent. Some are even experimenting with no SO<sub>2</sub>. We have to ask ourselves. Is there a new way to perform old tasks?

This was my point-of-view at Loblaws. I always took the contrarian approach: everyone told me that you needed MSG and hydrolized plant protein to make a frozen entrée taste good. I developed three dozen and kept these chemicals out. Everyone said the entrées would taste horrible. Does "President's Choice Glazed Chicken with Ginger" taste horrible? I doubt it — it dominates the frozen entree category.

Everyone told me that you could never put butter into a Butterball turkey because it would go rancid. You do know, don't you, that there has never ever been butter in a Butterball turkey? They've only ever used hydrogenated coconut oil. So, as the contrarian, I set out to be the first to put butter into a basted bird. And the birds don't stay in the freezer case long enough ever to have the butter go rancid.

Similarly, they told me you can't make a commercial cookie with butter—you need hydrogenated fats. I invented the "Decadent Chocolate Chip Cookie" and replaced hydrogenated fat with real creamery butter. And it's now the single best selling cookie in Ontario—even though it's only available in 22 per cent of the food outlets in this province! That's why I keep telling food processors and food manufacturers to find new ways to perform old tasks.

As we head into the '90s, there's one other dimension that we must keep in mind: *time*. The lack of it. The management of it.

The average American worked 40 hours in 1973. Today it's 47 hours a week — and growing! Workers may have a lot of disposable income, but they don't have time to spend it. We now talk of a "time famine"; people are starved for free time. As recently as 1967, 74 per cent of the public read a newspaper daily. Today, we're so starved for free time that only 54 per cent of us pick one up daily.

Today 54 per cent of the women in Canada work. It's predicted that within five years, 75 per cent of them will be in the work force! This means that sales of snack foods and finger foods will grow exponentially. Anything that you can eat with one hand, while driving a car — given that it is remotely tasty — will sell.

We're even going to see changes in our appliances to cope with this "time famine". You thought the microwave was a saver of time? It isn't if you have to stand there punching buttons, programming the sucker. So look for a "smart microwave"; it will come equipped with a wand that you pass over a UPC-like code that every product will have. This encoded information will tell the machine what's in the package, how long it needs to thaw, how long it needs to cook, and so on. No more punching buttons: the machine will do all of the work for you and save you time.

Anyway, back to bacon. Let's apply the contrarian approach: Who says the levels of nitrites and sodium that we use are necessarily correct any longer? In the old days, when refrigeration and transport to stores was an issue, they had to add so many partsper-billion of preservatives. But that was then and this is now, and soon now is going to be the year 2,000. Who says we still need so many nitrites in our bacon? And sodium? What are your ministries doing to encourage or support research in this direction?

There's another thing wrong with

bacon that makes it the single worst food that we eat; it's served at breakfast. "Would it be a better food if it were eaten at another time of the day?" You ask. And the answer is: Yes! Let me explain.

Nutritionists tell us that no more than 30 per cent of our daily calories should come from fats.

Typically, 37 to 40 per cent of the calories that Canadians eat come from fat. So, as a nation, we really have to be lowering our fat intake. Now, I look at breakfast as the only meat of the day that you can comfortably eat without fat; you can hold the butter and spread jam on your toast; you can poach an egg and put away the frying pan; you can drink your coffee black, have o.j., no-fat yogurt, and skim milk with wholesome full-grain cereal.

Essentially, your entire first meal of the day can be tasty and fat-free. It gives you a head start on the day, a fat handicap, if you like, because you can't have a tasty lunch or dinner without fat — unless you love raw fish. You need a little mayo maybe, or butter on your sandwich, and it's damn near impossible to make a tasty dinner without some oils or fats. So it's very important to keep the fats out of breakfast. So what does the typical Canadian do? He wolfs down fried eggs, toast with butter and he assaults his belly with bacon, containing 10 grams of fat in every three slices.

If you want to succeed in the marketplace, you must approach marketing with a Wayne Gretsky mindset: you don't go where the puck is, you go where the puck is going to be. And if you're in a Ministry of Agriculture and Food and you want to stay ahead of the pack — if not the puck — then you must head where the market is going to be. And it is going to be anti-bacon. So, right now you need to figure out a way of making leaner bacon, less salty bacon, maybe coming up with a

healthful, wholesome agricultural alternative to bacon altogether.

You know, in the U.S., molecular biologists have developed enzymes that can remove cholesterol from milk, and reduce saturated fat in meat. This is definitely a direction that Canada must head: biotechnology.

Because this is the future of food — biotechnology and packaging — and we'll talk about both in a moment.

While we're still talking breakfast, I'd like to talk about beans. They'd make a great contribution to breakfast; they're a rich source of protein, contain little-to-no fat and you could even develop a product called omelethelper which would be nothing more than an assortment of cooked beans that you pour out of a can into an omelet or serve with a poached egg to add complementary protein to the meal.

Beans are going to be one of the really hot foods in the next few years. If you thought oat bran was hot — get out of the kitchen — beans are going to be hotter because nutritionally, 2-1/2 ounces of dried beans, when cooked, have the same cholesterollowering properties as oat bran. And people will get tired of oat bran.

Now, this brings up a point: Why aren't Canadian farmers growing the colorful "New" varieties of beans — which are basically old varieties — that marketing-driven U.S. farmers are growing — beans called Tongue of Fire, European Soldier, Christmas Lima, Snowcap, and Appaloosa? The market is going to be big, too, for organic beans, even if they're just garbanzo, red kidney and navy beans.

I should think Ontario farmers would be happy to learn that beans are going to be hot. They should exploit this opportunity and introduce new varieties. And canners should think about introducing new prod-

ucts: Why doesn't someone package cooked garbanzos, red kidneys and romanos in one can and call them "A Gourmet Mixture of Beans?" Tell folks to open the can and simply toss the contents into a dinner salad. It beats opening three different cans and brings cachet to an otherwise mature grocery category.

Speaking of canned items, one of the things we did at Loblaws was revitalize the tinned fruit section by importing a canned tropical fruit mixture of kiwi fruit, guava, and passion fruit. Now, I'm not suggesting that Canada start a hot-house kiwi industry. But we also brought interest back to the category with peaches and pears packed in jellied nectar. We had slices of peaches and pears - which do grow in Canada — suspended in a flavored, Jello-like gelatin. This is something any Canadian canner could do - certainly if they can do it in Australia they can do it here. But you have to want to do it.

And my experience has been that Canadian processors tend to be content with the status quo. If I were looking for agricultural growth opportunities, I would encourage the development of one or two new products in the canned fruit sector.

I would also encourage our agriculture ministries to spend as much money "fishing" at international trade shows as they do pitching. There were 42 Canadian booths, for example, at ANUGA. Companies were given assistance to reach new export markets. But if I were you, I would not only send folks to trade shows with the intent of finding new markets for Canadian products, but I'd send folks with the sole aim of fishing for new products to bring back to Canada — to share with growers and producers here so that we can keep up with trends. I mean, why isn't someone in Canada making fruit

in jellied nectar — which our industry could have discovered at any international trade show several years ago?

Now it's time to get into some of my outspoken predictions. You may call me an agent provacateur, I am here to act as a catalyst — a stimulus for your thoughts — because without stimulus, there is no response, and without response, there is no change, and without change, Canada is in big trouble.

- 1. The issue of organics is not going to go away. The public wants fruit and vegetables with fewer chemicals not necessarily none, but a lot less. The issue will not be organic foods so much as it will be pesticide-, herbicide-, fungicide-reduced. In the U.S., more than 25 states already have programs encouraging farmers to adopt organic or "low-input" agriculture. How are Canadian farmers responding to this very important issue?
- 2. As a corollary to this point, anything remotely "green" that is environmentally safe or bodily friendly is going to be H-U-G-E in the 90s.
- 3. Here's a revolutionary thought: maybe we should forget about subsidizing the growing and processing of food altogether and focus our agricultural monies, our subsidization programs, all the monies we throw into marketing boards, all the funds directed toward export allowances and focus on two food-related things: packaging and biotechnology!

He who owns the packaging in the 21st century will own all. Canada should set out to develop unique packaging equipment and materials that could be used to protect food world-wide. Let's create a Silicon Valley for ourselves; let others grow the food. Let's require them to come to us for revolutionary food packaging materials — films, plastics — in which to store and ship their agricultural products.

Let's take a tip from the Swedes who invented Tetra-Pak. Every time a school kid in Canada opens a Tetra-Pak juice box, the Swedes get a royalty. Maybe Canada would be better off making half-a-cent per sheet of specially developed plastic film that is sold world-wide to safeguard potatoes or tomatoes than we are selling the vegetables themselves.

If you're politically opposed to importing fresh fruits and vegetables into Canada, why should you be any less vocal about importing someone else's food technology?

In terms of packaging, I think sous-vide products will finally come of age. Sous-vide, a french term meaning "under vacuum," is a technique pioneered in France. In sous-vide cookery, food is placed into a plastic pouch and a vacuum is drawn. The pouch is cooked under pressure, then chilled. When you reheat the bag in hot water, what you get is a dish that is identical to the food had it been served to you by the chef who cooked it!

I pioneered sous-vide cookery for "President's Choice", developed five extraordinary entrees. In France, sous-vide is a household word. I predict it will finally take off in Canada too.

Another technological breakthrough in the 90s will be MAP that's modified atmosphere packaging — which is how a lot of our meats, luncheon meats, bacon, maybe even baked goods will be sold. Basically, you take a plastic package, fill it with product and replace the air with a concentration of inert gasses. In the absence of oxygen, spoilage is retarded. In tests in British Columbia, they've taken freshly picked cherries and just-sliced pineapple, sealed them in MAP packages and maintained their freshness for 10 weeks! Canadian processors need to harness these two packaging technologies if they want to stay ahead of the pack or should I say packers?

4. Biotechnology is going to be the food wave of the future. Right now, the Americans are closing in on things like mycoproteins — mold-derived proteins that can be textured to simulate chicken, beef or pork without fat or cholesterol. In other words, surimi with hooves.

Biotechnology applied to packaging is going to be big, too: the Americans have already developed milk cartons implanted with biosensors that indicate how fresh the milk is based on temperature and humidity fluctuations.

Canada would have much more to export than fruit and vegetables if it owned the advanced technological packaging that every country in the world will need to wrap, ship and protect its domestic homegrown foods

Freeze-dried meats, freeze-dried seafood, freeze-dried fruits and freeze-dried vegetables are going to be a reality; will Canada own the technology or import it?

5. The government must seriously ask whether it is leading or following in food and agriculture? Concepts that were relevant at the turn of the century are no longer valid. Marketing boards are curious throwbacks rather like the appendix — today serving no useful purpose. Rather than spend millions of dollars to support artificial market prices to sell what our farmers produce, perhaps government money should be used to develop food packaging and equipment that can be exported all over the world. In other words, transfer government support from the grower to the processor. An interesting concept.

6. What are Canadian cheese makers doing to meet the low-fat challenge — where the market is headed? Are we going to let Europeans and Americans steal our thunder with new low-fat cheeses or are we going to introduce a new generation of our own tasty low-fat cheeses?

A Wisconsin cheesemaker is already taking an imposing lead with a product called "Cheese Smart" that contains absolutely no cholesterol and no fat! Cheese Smart Cheddar, and Cheese Smart Mozzarella are 100% fat-free and cholesterol-free! How are Canadian farmers going to sell high-fat cheese in a market moving to cholesterol-free and fat-free cheese?!

- 7. Barley is going to be very big as whole-grain-lovers and cholestrophobes grow tired of oats; barley has some remarkable nutritional properties. Someone should be developing barley-enriched products *now* to meet the future demand.
- 8. Differentiation of a commodity is everything. Frank Purdue took an everyday chicken and turned it into a special everyday chicken. Idaho took a common everyday Russet Burbank and turned it into an "Idaho" potato. I think your group should look at our agricultural commodities and determine a way to differentiate them in the marketplace.

For example, apples account for 34 per cent of the value of Ontario's total fruit crop. That's a lot — a third. Even so, we still import in excess of \$50 million worth of apples annually into the province. So you've got to ask yourself — is it that Ontario can't fill this demand for \$50 million annually or are Ontario sales being displaced by unusual varietals which don't grow here? At Loblaws we imported many unusual varietals — the the Royal Gala and Cox Orange Pippin

from new Zealand — as we sought to differentiate our produce department from that of other chains.

If I were responsible for the Ontario Apple Commission, I would want to know why I'm not getting a significant share of this \$50 million of imported fruit. And I would encourage farmers to grow unique varietals that might command a premium price.

Already, the yellow-red Jonagold apple has replaced Golden Delicious as the most popular apple in Europe. Who, in your ministries, is bringing this trend to the attention of growers in Canada — to ignite a spark here so that we start growing Jonagolds? Who is going to bring antique apples — as they're now called — like the black Gilliflower or white Winter Pearmain to market today? Is anyone looking after the shop? Growers in Maine claim that their new varietal, the Macoun apple, will eventually outsell the McIntosh; what is that going to do to Ontario McIntosh sales? Has anyone here even heard of the Macoun? Can we grow them here? Should we grow them here?

9. As I have indicated, the market over the next 10 years is going to be driven by marketing and nutritional forces; consumers are going to want less fat and what fat they do eat will have to be mono-unsaturated (canola or olive oil) and not hydrogenated.

Food processors in this province had better understand that or else they're going to lose market share to outsiders who do. Maybe there's a role for your ministries and those of health to work together toward promoting this message. It's no longer desirable to produce high quality, high-fat foods. There has to be less fat and what fat there is should largely be mono-unsaturated and not hydrogenated.

You all probably know that when you change an oil into a semi-solid at

room temperature — by hydrogenating it — you create transfatty acids that:

- do not exist anywhere else in nature and;
- are more heavily saturated than either butter or the tropical oils which we thought were the bad guys.

The debate over hydrogenated oils is going to be hotter than the issue of tropical oils; manufacturers shifted from palm and palm kernel oil to hydrogenated soybean oil. Voilà! Crisco was saved! But just wait until the word on hydrogenated fats becomes commonplace.

- 10. Speaking of fats, this leads to my most outlandish prediction of the night: as the hydrogenation debate heats up, I wouldn't be surprised to see a reversal in the 25-year decline of butter sales. I think the bad press that hydrogenated fats are going to have will help re-establish the demand for butter. We won't see a huge rise in butter sales, but I think we'll see the decline bottom out and maybe even blip up.
- 11. Speaking of fats, the big news in the 1990s is going to be fatless fat! Proctor and Gamble will launch Olestra a non-fat fat. In reality this is sucrose polyester I know it sounds like something you should wear on hot summer days but it's what's going to be hot in the food business. It's a synthesized compound that passes through the body unabsorbed, Olestra has the mouthfeel of fat, but not the calories.

We'll also soon taste Acesulfame-K, which will go under the trade name Sunette; this artificial sweetener doesn't break down under heat as Aspartame does. Already approved in the U.S. for addition to desserts and puddings, it's expected to receive formal blessing for baked goods. This means we'll have an entire new generation of sweets and baked goods — ones made without absorbable fat and without calorie-laden sugar. In other words, fatless, sugarless, practically calorie-less pastries and sweets! They're coming.

The significance of these products cannot be overlooked; at any one time 22 million North Americans are trying to lose weight.

12. The health market will continue to grow. Rice bran and corn bran will be the next big anti-cholesterol foods. The market for oat bran has grown as large as possible. There's no room for additional new oat bran products. This year I have seen oat bran bagels, oat bran pretzels, oat bran potato chips, oat bran pita pockets, oat bran donuts, muffins, cupcakes, even oat bran Twinkies; oat bran shakes, oat bran fibre drink, oat bran waffles, breadsticks, fig bars, pancakes and tortilla chips.

I've even seen dog biscuits "fortified" with oat bran! About the only things that I haven't seen are oat bran sardines, oat bran ice cream, oat bran Hamburger Helper and oat bran suntan lotion with an SPF of 25 — that's not "Sun Protection Factor" — that's "spreads pretty feh!"

13. Labelling will become even more crucial. It's estimated that 80 per cent of consumers today read ingredient labels.

Speaking of labels, when I joined Loblaws I discovered an embarrassing label — and I rarely tell this story because it's corporately embarrassing. We had a jar of cornichons, those little pickles, and the English label proudly boasted that the jar contained "no preservatives." In French, the proper translation should have been "sans aucun agent de conservation," but the translator obviously had some anglophone roots and had gone for "cornichons sans preservatifs." In classic French "preservatifs" are condoms. So a Frenchman walking into our stores

would have been confronted with a jar of pickles "packed without condoms!" That's not the kind of labelling I'm talking about for the 90s.

14. It's my belief that our children are drinking less milk today than we did. This means our dairies need to invigorate sales with new products.

In my own home, I get my kids to polish off milk by mixing it with orange juice making, in effect, an Orange Julius. Why doesn't some dairy package a carton of Orange Julius? This could be skim milk mixed with high-brix orange juice; naturally, there would have to be some work done on stabilization and we'd have to overcome the inherent tendency of the product to ferment, but everything is do-able.

15. Canadian food growers and processors need to be more experimental and adapt more quickly to the demands of the marketplace. I can't tell you how many times Loblaws approached farmers asking them to grow unusual produce as part of the "President's Choice" program. Our farmers seem particularly reluctant to replant for new markets.

We had to get U.S. farmers to grow peaches -&-cream corn; we had to find American farmers to supply pesticide-free lettuce and herbs. They could have been grown in Canada but no one wanted to break ground for a new project — even with Loblaws commitment to buy everything they could grow.

16. I found a small firm in Ohio that makes sun-dried tomatoes that rival the sensual, rich-tasting ones from Italy! it takes nothing to set up a drier operation next to a tomato field to process and value-add to the commodity. In Ontario, where we have 31,000 acres of tomatoes, you'd think someone might start up a small, sundried operation — but it hasn't happened.

And why hasn't someone brought to Canada that wonderful European invention — tubed tomato paste? You know how, whenever you open a can of tomato paste, you wind up throwing away half the can after it sits in the fridge a couple of days? The Europeans package tomato paste in a toothpaste tube and you squeeze out what you need, keeping the remaining paste unexposed to the air. It stays fresh until used. Isn't it time we had such a product made in Canada?

17. The controversial issue of irradiation is not going to go away. Canada will have to make some firm, forceful and final recommendations regarding the use of irradiation to improve the shelf life of foods. We could eradicate salmonella in poultry, for example, if the birds were irradiated. We could eliminate the need for retort vacuum packaging and remove many of the chemical preservatives in our foods using irradiation. Will the public go for it? Who's doing tests to support the technology at present?

18. Ontario wine has finally come of age. Some of it is truly sensational, an agricultural accomplishment of which we can be proud, but provincial governments must stop acting so *provincial*. Ontario requires access to the other provinces to sell its wine. Canadians spent an awful lot of time debating the issue of free trade with the U.S. — north and south. I think we seriously overlooked agricultural trade issues east to west.

Even within Ontario there are marketing issues. Ontario must secure new markets at home — corner stores and supermarkets must be allowed to retail Ontario wines. What's the point of growing something if you can't market it to its full potential?

I wish you luck working to help Ontario reach its full potential — toward a new horizon called the 21st century.





